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Attorneys for Gateway Center, LLC

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH

)	
)	Bankruptcy Case No. 09-29905
)	Jointly Administered with Cases 09-29907
In Re:)	and 09-29908
)	
EASY STREET HOLDING, LLC, <i>et al.</i>)	Chapter 11
)	
Debtors.)	Honorable R. Kimball Mosier
)	
)	GATEWAY CENTER, LLC'S
)	OBJECTION TO WRONA LAW
)	FIRM'S FIFTH FEE APPLICATION
)	
)	

Gateway Center, LLC ("**Gateway**"), through its attorneys Fabian & Clendenin, pursuant to the *Order Approving Motion and Establishing Monthly Fee and Expense Reimbursement Procedures* dated December 15, 2009 [Dkt. 271], objects to the *Wrona Law Firm's Fifth Professional Fee Request for the Period from March 1, 2010 to March 31, 2010* [Dkt. 424] (the "**Fifth Wrona Fee Application**") as follows:

1. Debtors Easy Street Partners, LLC, Easy Street Mezzanine, LLC, and Easy Street Holding, LLC (collectively, the “**Debtors**”) are debtors-in-possession in the above-entitled jointly administered Chapter 11 cases.

2. On October 19, 2009, the Debtors filed an application [Dkt. 102] to employ the Wrona Law Offices, LLC (“**Wrona**”) as special counsel.

3. The application requested that the Debtors be authorized to employ Wrona as special counsel to provide a very broad scope of services:

The specific services which may be provided by Wrona Law Offices are:

- a. Advising the Debtors on litigation, bankruptcy and financing matters, including the negotiation and structure of debtor-in-possession financing;
- b. Representing the Debtors in connection with this proceeding, including adversarial actions within this proceeding; and
- c. Representing and advising Debtors with regard to issues related to the complex relationships within Debtor’s [sic] organization, and between Debtor [sic] and its [sic] fractional interest unit owners.

Application [Dkt. 102], at ¶ 12.

4. The Declaration of Joseph E. Wrona [Dkt. 103] filed in support of the application to employ the Wrona Law Offices stated that Wrona has provided legal representation to Cloud Nine Resorts Management, LLC, but affirmatively states that Wrona “does not currently represent any party in interest in any matter related to the Debtor.” *Id.* at ¶¶ 4 & 4.a.

5. The Court granted the Debtors’ application to employ Wrona by Order dated December 15, 2009. [Dkt. No. 218].

6. In January 2009, Debtor Easy Street Partners, LLC (“**Partners**”) agreed to assume the interest in and obligations of Cloudnine Resorts, LLC (“**Cloudnine**”) as lessee under lease (“**Lease**”) of real property located in Park City, Utah, that Cloudnine was leasing from Gateway.

7. Cloudnine as the original lessee was not released from liability under the Lease when Partners agreed to assume it. Cloudnine is an affiliate of Partners, and is controlled by Partners’ principal and managing member, William Shoaf (“**Shoaf**”).

8. Shoaf executed a personal guaranty of the obligations of Cloudnine and Partners under the Lease in which Shoaf obligated himself to Gateway in his individual capacity.

9. On March 11, 2010, Gateway filed a lawsuit against Cloudnine and Shoaf in Third District Court for Summit County, Utah, seeking damages for their obligations under the Lease and personal guaranty, respectively, *Gateway Center, LLC v. Cloudnine Resorts, LLC and William Shoaf*, Civil No. 100500193 (the “**State Court Lawsuit**”).

10. Wrona represents Cloudnine and Shoaf in the State Court Lawsuit. On April 13, 2010, Wrona, acting as counsel for defendants Cloudnine and Shoaf, executed a *Stipulation to Extend Time for Defendants to Respond to the Complaint* (“**State Court Stipulation**”). A copy of the State Court Stipulation is attached hereto as **Exhibit “A.”**

11. On April 12, 2010, Wrona filed the Fifth Wrona Fee Application for the period March 1, 2010 through March 31, 2010. The detailed time entries attached to application include several entries in which Wrona is reviewing the complaint in the State Court Lawsuit with Shoaf or is analyzing the Gateway matter. *See* time entries dated March 15, March 24, and March 29, 2010.

12. Wrona's representation of Shoaf and Cloudnine in the State Court Lawsuit regarding the Lease with Gateway constitutes the representation of an interest adverse to the estate with respect to which Wrona has been employed within the meaning of 11 U.S.C. § 327(e).

13. Gateway objects to the Fifth Wrona Fee Application on the grounds that Wrona is not disinterested with respect to a matter on which he is employed.

WHEREFORE, Gateway prays for entry of an Order:

A. Denying the Fifth Wrona Fee Application in its entirety on the grounds that Wrona is not disinterested on a matter on which he has been representing the estate; and

B. For such other and further relief as the Court deems just and equitable.

DATED this 23rd day of April, 2010.

/s/ Douglas J. Payne

Douglas J. Payne

Robert G. Crockett

FABIAN & CLENDENIN

A Professional Corporation

Attorneys for Gateway Center, LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing was served on this 23rd day of April, 2010, via ECF Notification, on the following:

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I further certify that a true and accurate copy of the foregoing was served on this 23rd day of April, 2010, via first-class mail, facsimile, and e-mail on the following:

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I further certify that a true and accurate copy of the foregoing was served on this 23rd day of April, 2010, via first-class mail, on the following:

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Park City, UT 84098

/s/ Douglas J. Payne

ND: 4815-7019-8790, v. 1